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PEIPING ERH-LUNG-LU COMMUNE PARTY COMMITTEE
CONCENTRATES ON FINANCIAL WORK

- COMMUNIST CHINA -

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PEIPING ERH-LUNG-LU COMMUNE PARTY COMMITTEE
CONCENTRATES ON FINANCIAL WORK

[The following is translation of a local news item in Ta Kung Pao, Peiping, 29 June 1960, page 1.]

During the one year and more of financial work in the Erh-lung-lu People's Commune, commendable progress has been made in the improvement of financial structure, selection and training of cadres, introduction of definite systems, and promotion of mass accounting.

At present, commune income and expenditures are basically planned, safe-keeping and protection are systematic, payments of expenses are standardized, auditing and approval of payments follow definite procedure, accumulation and distribution are made correctly and all accounting books are kept in order. Income and expenditures are supported by vouchers and correctly entered in the books without any confusion so that financial work met all the developmental requirements of the various commune undertakings, thus promoting its development and strengthening.

The Party committee of the commune from the start put emphasis on financial work and kept concentrating on it to the end. In the early period of the commune, aiming to intensify guidance of financial work, a financial training class was established under the direction of the committee secretary. This class included chiefs of all commune factories and the secretary of the branch-committee. The secretary of the Party committee himself earnestly attended the studies and made all leading cadres take the studies seriously.

At the same time, the Party committee of the commune criticized the erroneous notion existing among financial workers that "an accountant has to mind his bookkeeping and production is none of his business". This mistake was corrected in two ways:

first, their political ideology was strengthened; second, financial workers were organized to obtain first hand knowledge of production without discontinuing their work. Thus, it was made clear to them that financial work is to serve production and the quality of financial work has been improved.

So as to have all arrangements unified, the Party committee of the commune has often included financial affairs in the agenda of daily discussions. The secretary of the Party committee himself started work on the "experimental field" of financial work. He went deeply into factory work, trained models, summarized experience, and promoted a deepening development of financial work. So when the inventory of property was taken, the secretary of the commune Party committee himself made his "experimental field" in the combined factory. There he familiarized himself with the existing conditions, accumulated experience, exercised concrete guidance and settled problems. With experience gained he organized discussions on the spot. These discussions gave general impetus and served to accelerate progress of work.

After the establishment of Erh-lung-lu commune a financial organ was at once introduced to ensure the proper state of financial work. An accounting team was established in the commune, the backbone of which was formed from cadres released [transferred] from the ch'u finance bureau. Thus with a cadre of six financial workers a unified administration of the financial work of the commune was attained.

At the same time, when a need for financial workers arose in various units of the commune, it was decided to rely upon the commune's own resources rather than seek help from the outside. Through selection of personnel and ideological mobilization, from the rank and file of the commune a group of good workers with good political ideology and some level of culture were entrusted to carry out financial work.

At present all industrial enterprises of the commune have established financial organs, staffed with financial cadres. The newly established service and welfare units are also supplied with accounting workers or personnel who can combine their regular work with financial work. In this way, the foundation was laid for further strengthening of the commune's financial work. To make this organization serve the needs of the commune still better, the ranks of financial

and accounting workers are being incessantly expanded to eliminate any possibility of shortage.

In establishing a financial structure, the Erh-lung-lu Commune also worked hard to establish a rigid system for it. Taking into consideration that property of various enterprises was not clearly inventoried and that entries in the books did not coincide with actual facts, a general inventory of property was drawn up and when this was completed all property of the commune was clearly defined. Taking this as a foundation and starting from firm facts, definite regulations for financial administration were worked out: "Provisional Regulations for Financial Control in Communes", "Standards for Payment of Expenses in Industrial Enterprises", "Rules on Administration Expenses in Industrial Enterprises", "System of Warehouse Operations" and also rules for financial work in various service and collective welfare units.

The accounting system introduced was simple, easy and combined principles of native and foreign accounting. Three kinds of accounting forms were adopted: the debits and credits entry form, receipts and expenditures book and simplified accounting form. This system suited different standards of accounting workers and fitted well the requirements of all industrial and working units.

To make the system work properly and keep it constantly improving, a system of control and inspection designed to ensure exact and proper working of the system was adopted in the commune. Financial workers of the commune in their everyday work had to be in close contact with actual facts, had to settle daily and periodical problems, guide financial work in the enterprises and inspect it. When last year some of the enterprises proved to be going insufficiently well with their financial work, "two concentrate, three examine" movement (concentrate on financial work, concentrate on strict execution of the system, examine utilization of capital, examine cost accounting, examine execution of the plan) was organized in the commune enterprises. This movement served as a serious check-up of the state of financial administration and settled some problems concerning violation of the financial discipline.

In addition, the movement made necessary corrections and supplements in all the rules, thus perfecting them and raising the standards of the financial

organization. On the basis of gradual improvement of various systems and gradual elevation of accounting standards, and to fully mobilize the workers and staff to promote industrial production, the Erh-lung-lu People's Commune in April 1960 started a campaign in its factories to intensify a connection between accounting and the masses.

First of all, under the personal direction of the secretary of the commune's Party committee, a meeting was convened composed of the chiefs of factories and secretary of the branch-committee, where all arrangements were made. Many of the factories organized groups for promotion of this cooperation of the masses in accounting. These groups promoted wide scale discussions among the masses of workers and staff aiming to inculcate accounting awareness among the masses and make clear the methods. Going from details to the general and from the general to details, spirits were raised. Accounting goals were worked out in accordance with the requirements of production. Besides, this cooperation of the masses was closely combined with the already existing competition for the red banner in technical reforms and technical revolution. For instance, the productive enthusiasm of the workers was greatly stimulated at the electrical equipment plant after joining in mass accounting. Everybody became interested in production, everybody started offering plans and devices, and one was trying to catch up with another, thus there was mutual emulating. So, the daily output of the team producing valve parts increased from the former 65 pieces to more than 900 pieces showing an increase of more than ten times, thus greatly raising labor productivity and promoting development of production.

Trying to improve rapidly the political and working standards of the financial and accounting personnel, so as to comply with work requirements, the commune took various energetic steps, concentrating on the training of personnel. The program of this training closely combined political and working aspects. Training methods were a combination of shock training with an intensive lecture system. Beginning in 1959 this commune had six training classes, and turned out more than 400 financial and accounting workers. This basically answered urgent needs of all enterprises and working units.

To maintain the achieved results, the commune organized mutual aid teams in different areas to carry

on collective assistance and guidance. Moreover, studies were organized in and among the enterprises based on principles of mutual study and mutual teaching, finding [something] new in the old and [discovering] the unknown in the familiar. Due to all these measures the great majority of financial personnel is up to the requirements of their work and are able to carry on indepen-

Financial Work in Urban Communes Should Be Done as Political and Mass Work (Comment)

The most important point in the experience of financial work in the Peiping Erh-lung-lu People's Commune is that the Party committee concentrated on financial work and treated it as work having political and mass nature. This concentration never relaxed and was kept to the end. The experience of this commune teaches us that to attain success in financial work it is necessary:

1. Resolutely keep politics in the forefront and intensify ideological guidance. In the process of financial work, as well as in any other work, various ideological problems are unavoidable. For instance, some comrades pay all their attention to production but neglect financial work; other comrades take good care of financial work, but disregard production. This is why the Party committee had to intensify ideological work and explain to such comrades that serious attention must be paid to financial work because this work is vital to production. Only in this way can financial work of the commune make good progress.

2. The masses must participate in financial affairs. As financial work infringes on the vital interests of all members of the commune, it is not just the business of a small group directly concerned with it, but is equally the business of all members of the commune. For this reason democratic control must be strengthened, masses must be attracted to participate in financial administration and calculation, and financial work must become open to the wide masses.

3. To have financial work done properly, definite measures must be taken with regard to its system and organization. There must be a special financial structure and special cadres. The latter must be

constantly trained and their political and working standards incessantly raised. Moreover, there must be a complete set of financial regulations which should be strictly observed. Only following these lines can the financial administration be constantly strengthened and policies of the commune duly carried out.

Financial work in urban communes is a new kind of work, but it is related directly to their strengthening and development. The successful experiment with financial work in the Erh-lung-lun People's Commune serves as a good example deserving investigation and study by everybody.

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